

D.P.U. 96-5A

Application of Fitchburg Gas and Electric Light Company:

(1) under the provisions of G.L. c. 164, § 94G and the Company's tariff, M.D.P.U. No. 199, for approval by the Department of Public Utilities of a change in the quarterly fuel charge to be billed to the Company's customers pursuant to meter readings in the billing months of February, March and April 1996; and

(2) for approval by the Department of rates to be paid to Qualifying Facilities for purchases of power pursuant to 220 C.M.R. §§ 8.00 et seq. The rules established in 220 C.M.R. §§ 8.00 et seq. set forth the filings to be made by electric utilities with the Department, and implement the intent of §§ 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

(3) under the provisions of G.L. c. 164, for approval by the Department of the actual unit and system performance of the Company with respect to each target set forth in the Company's approved performance program.

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Boston, MA 02110-3173
FOR: FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY
Petitioner

I. INTRODUCTION

On January 4, 1996, pursuant to G.L. c. 164, § 94G and 220 C.M.R. §§ 8.00 et seq., Fitchburg Gas and Electric Light Company ("Fitchburg" or "Company") notified the Department of Public Utilities ("Department") of the Company's intent to file a quarterly change to its fuel charge in conformance with its tariff, M.D.P.U. No. 199, and to its Qualifying Facility ("QF") power purchase rates in conformance with its tariff, M.D.P.U. No. 82. The Company requested that both these changes be effective for bills issued pursuant to meter readings for the billing months of February, March and April 1996. In addition, on January 19, 1996, the Company filed its actual performance results relating to fuel procurement and use. Pursuant to G.L. c. 164, § 94G, the Department investigated the performance results in order to determine whether there were performance variances from the goals established for the Company's generating units for the twelve-month period November 1994 through October 1995. These matters were docketed as D.P.U. 96-5A.

Pursuant to notice duly issued, a public hearing on the Company's application was held on January 25, 1996, at the Department's offices in Boston. Notice of the hearing was published by the Company in the Fitchburg-Leominster Sentinel and the Worcester Telegram. The Company also complied with the requirement to mail a copy of the notice of the hearing to the Chairmen of the Board of Selectmen and the Town Clerks of the towns of Lunenburg, Ashby and Townsend, and the Mayor and City Clerk of the City of Fitchburg; to all persons with whom the Company has special retail contracts that do not incorporate a filed rate; and to all intervenors and their respective counsel from the Company's prior two fuel charge proceedings. No petitions for leave to intervene were filed.

At the hearing, the Company sponsored one witness: David W. Lavoie, contracts supervisor for UNITIL Service Corporation ("UNITIL").¹ The evidentiary record consists of two Company exhibits and one Department Record Request.

The Company owns and operates one generating unit, Fitchburg Unit No. 7, an oil-fired unit of approximately 28 megawatts ("MW"), and receives power under various arrangements from units operated by others. The arrangements include entitlement to 20 MW of the New Haven Harbor unit in Connecticut, which is operated by United Illuminating Company; and one MW of the Wyman 4 unit, operated by the Central Maine Power Company. Fitchburg serves approximately 26,465 customers; in 1994, the Company reported revenue from retail sales of electricity of \$43,288,502, as found in its 1994 Annual Report to the Department.

II. FUEL CHARGE

On January 19, 1996, the Company filed with the Department its proposed changes to its fuel charge and QF power purchase rates for February, March, and April 1996. For these billing months, the Company proposes a fuel charge of \$0.03655 per kilowatthour ("KWH"). The proposed fuel charge is \$0.00318 per KWH less than the fuel charge of \$0.03973 per KWH approved by the Department in Fitchburg Gas and Electric Light Company, D.P.U. 95-5D (1995) for meter readings for the billing months of November 1995, December 1995 and January, 1996.

The Company's witness, Mr. Lavoie, testified that the proposed decrease is the result of three things: an overcollection from the prior period, the presence of two new special contracts

¹ UNITIL, an affiliate of Fitchburg, provides management services to Fitchburg, including the development of the Company's electric fuel charge.

with lower than average costs, and an increase in KWH sales (Exh. FGE-1, at 3; Tr. at 9, 28, 29-30).

III. QUALIFYING FACILITIES

Pursuant to the Department's rules, 220 C.M.R. §§ 8.00 et seq., rates to be paid to QFs for short-run power purchases are set with the same frequency as the fuel charge. A QF is a small power producer or cogenerator that meets the criteria established by the Federal Energy Regulatory Commission in 18 C.F.R. § 292.203 (a) and adopted by the Department in 220 C.M.R. § 8.02.

Pursuant to the governing regulations, the Company is required to calculate short-run energy purchase rates on a time-of-supply basis for two rating periods: peak and off-peak. In addition, the Company is required to calculate a non-time-differentiated rate, i.e., a total period rate, which is a weighted average of the time-of-supply rates, where the weighting is a function of the number of hours in each rating period. See 220 C.M.R. § 8.04 (4) (b). The Company is also required, under 220 C.M.R. § 8.04 (6) (b), to file its short-run capacity purchase rates, calculated on a KWH basis by voltage level, according to the formula in 200 C.M.R. § 8.04 (6) (a).

The Company proposed the following standard rates to be paid to QFs during February, March and April 1996:

Energy Rates By Voltage Level (Mills/KWH)

<u>Voltage Level</u>	<u>Peak</u>	<u>Off-Peak</u>	<u>Total</u>
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NEPOOL Trans.	27.08	21.82	24.09
Fitchburg 69 KV	27.17	21.89	24.16
13.8 KV Subtrans.	27.41	22.09	24.39
Primary	29.30	22.73	25.60
Secondary	29.58	23.14	25.94

Short-Run Capacity Rates (Mills/KWH)

Voltage Level

NEPOOL Trans.	23.06
Fitchburg 69 KV	23.13
13.8 KV Subtrans.	23.34
Primary	24.95
Secondary	25.19

IV. GENERATING UNIT AND SYSTEM PERFORMANCE REVIEW

The Company presented its generating unit and system actual performance results for the period from November 1, 1994 to October 31, 1995 (Exh. FGE-2). According to the Company's filing, essentially, all the Company's generating units met their performance goals established in Fitchburg Gas and Electric Light Company, D.P.U. 94-137 (1994) (*id.*). Also, according to the Company's filing, no substantial unplanned outages or extensions to the planned outages of its major and minor generating units occurred during the performance year (*id.*).

V. FINDINGS

Based on the foregoing, the Department finds:

1. that the fuel charge to be applied to Company bills issued pursuant to meter readings for the billing months of February, March and April, 1996 shall be \$0.03655 per KWH. (The calculation of the fuel charge is shown in Table 1 attached to this Order.)
2. that the QF power purchase rates for February, March and April, 1996 shall be the

rates set forth in Section III above.

3. that the Company has presented sufficient evidence explaining any variances between the performance goals and actual performance results of its fossil units and, therefore, no additional investigation of such variances is necessary.

VI. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That Fitchburg Gas and Electric Light Company is authorized to put into effect a quarterly fuel charge of \$0.03655 per KWH as set forth in Section V, Finding 1 of this Order for bills issued pursuant to meter readings for the billing months of February, March and April, 1996, subject to refund; and it is

FURTHER ORDERED: That the fuel charge approved herein shall apply to kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it is

FURTHER ORDERED: That the Company's Qualifying Facility power purchase rates for the billing months of February, March and April, 1996 shall be those set forth in the Table on page four of this Order; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall notify all intervenors and their respective counsel from the Company's prior two fuel charge proceedings that it is proposing an adjustment to its fuel charge, and shall also notify these persons of the date scheduled for the hearing on the proposed fuel charge at least ten days in advance of the hearing; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall

provide the small power producer information on a computer disk; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall provide all intervenors and their respective counsel from the prior two fuel charge proceedings with a copy of its fuel charge filing, in hand or by facsimile, on the same day it is filed with the Department; and it is

FURTHER ORDERED: That, pursuant to G.L. c. 164, § 94G (a) and (b), fuel costs allowed by this Order are subject to such disallowance as the Department may determine in any subsequent investigation of the Company's performance period that includes the quarter applicable to the present charges.

FURTHER ORDERED: That Fitchburg shall retain all costs recovered through the fuel charge attributed to units from which it received power during the performance period from November 1, 1994 to October 31, 1995, pending findings in other dockets before the Department involving units in which the Company has contractual or other entitlement to power; and it is

FURTHER ORDERED: That the Company shall, with its fuel charge filing for the months of February, March, and April 1997, submit performance data for the Company's

generating units and for its system as a whole for the performance year ended October 31, 1996, and explain any variances from the goals approved by the Department in Fitchburg Gas and Electric Light Company, D.P.U. 95-82 (1996).

By Order of the Department,

John B. Howe, Chairman

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).